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C O N F I D E N T I A L KATHMANDU 000753

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DEPT FOR SCA/INS
NSC FOR RICHELSOPH

E.O. 12958: DECL: 03/17/2016
TAGS: PGOV PTER PREL NP
SUBJECT: NO MAOIST-PARTY AGREEMENT YET

REF: A. 05 KATHMANDU 2556
1B. KATHMANDU 741

Classified By: CDA John Schlosser. Reasons 1.4 (b/d).

SUMMARY

11. (C) Late in the afternoon of March 17, the leaders of the seven-party alliance decided they needed more time to discuss the terms of an agreement modifying and clarifying the Maoist-Parties November 2005 12-point understanding (ref A) stemming from recent negotiations between Maoists and Party cadre in New Delhi. Party leaders agreed to meet again early March 19 to resume discussion. Although we have not seen a copy of the draft agreement, the key issue remained the alliance's resolve not to agree to the Maoists' demand for a joint statement, though if the Parties would do so the Maoists were offering to end their ongoing blockade and reportedly also to declare a cease-fire. The Maoist blockade has continued through a fourth day, causing petrol shortages.

There were reports of Maoist violence on March 16 throughout the country. End Summary.

MAOIST-PARTY AGREEMENT UNCERTAIN ...

12. (C) A meeting of key leaders of the seven-party alliance convened late in the afternoon of March 17 in Kathmandu to try and finalize a new agreement with the Maoists. Minendra Rizal, Central Committee Member, Nepali Congress-Democratic (NC-D), reported that discussion centered on the Maoists' demand that the Parties sign a joint agreement in order for the Maoists to end the ongoing blockade of Nepal's highways, and a commitment not to institute the indefinite nationwide general strike and closure planned for April 3. Although Rizal stated that the draft agreement included provisions for the Maoists to call a unilateral cease-fire, Communist Party of Nepal - United Marxist-Leninist (CPN-UML) Central Working Committee Member K.P. Oli contradicted that and explained that Nepali Congress (NC) President G.P. Koirala had opted against including the cease-fire as one of the Parties' negotiating demands. According to Oli, although NC-D and CPN-UML were for it, G.P. Koirala, who is very angry with the

King, decided to omit the cease-fire point. Rizal reported that the meeting broke up after almost three hours of discussion on March 17, as Party leaders needed more time to discuss the Maoists' proposal. The seven-party alliance leaders agreed to resume their discussions on a possible Maoist-Party agreement early on March 19.

... BUT PARTIES STANDING FIRM AGAINST CLOSER COOPERATION

¶3. (C) While the Maoists were working to get the Parties to upgrade the characterization of their understanding to an agreement and by signing on the same page, the Parties appeared to be standing firm as of March 17 against a joint statement. Post talked with Nepali Congress (NC), CPN-UML, and NC-D party leaders, stressing the importance of striving for a non-violent solution to the political impasse in the country. Post also reminded Party leaders of the danger to the Parties if they linked themselves more closely with the Maoists as the King could declare them enemies of the state. Sashank Koirala, of the NC Central Working Committee, told Emboff that a March 16 NC Central Committee meeting had decided, after much debate over how far to go with the Maoists, not to go any further than the 12-point understanding. According to Sashank Koirala, who is G.P. Koirala's nephew, the latter had categorically said that there could be no common front with the Maoists as long as they retained their arms. Sashank said that NC had rejected the Maoist demands of a joint statement and parallel government (ref A). NC-D's Rizal commented to Emboff that the original draft circulated gave a sense that in the future there would be close cooperation between the Maoists and the Parties, to which the political parties had objected. Rizal noted that the Maoists needed to agree to the political parties' change in order to finalize an agreement further to the understanding. Rizal added that NC-D was apprehensive that GP Koirala had given the Maoists "some commitment" and thus feared on March 19 the Parties would bow to the Maoists' demand for a joint statement.

PARTIES UNDERSTAND AND SHARE INTERNATIONAL COMMUNITY'S CONCERNS

¶4. (C) Our party contacts reassured us that they not only understood our concerns about becoming more closely linked with the Maoists while the Maoists were using violence to try to topple the government, but that they shared them. Rizal remarked that the Brits had indicated similar views to the Parties and told them that U.K. Ambassador Bloomfield planned to make a speech the week of March 20 that would question both the King and the Maoists. Sashank Koirala noted that he agreed that the democratic forces had to unite and he did not want a refined understanding with the Maoists to make it more difficult for the King to reach out to the political parties to reconcile. Oli commented that, although there were divisions with each of the major parties, as well as among the seven-party alliance, thus far GP Koirala, NC-D President Sher Bahadur Deuba, and he (and like-minded CPN-UML leaders) had been able to cooperate to ensure that the seven-party alliance did not become too entangled with the Maoists while the latter still had arms. Oli explained that G.P. Koirala and the CPN-UML had each used each other to gain wider acceptance for the need to take a cautious approach with the Maoists. He worried that if the ailing G.P. Koirala were to die, he and Deuba might not be able to prevent closer cooperation between the Parties and the Maoists.

MAOIST BLOCKADE CONTINUED THROUGH MARCH 17, CAUSES FUEL SHORTAGE

¶5. (C) The Maoist blockade of Nepal's highways continued through March 17. The Nepal Police reported that the Maoists had successfully obstructed traffic on the majority of Nepal's highways with blockades made of stones and trees. Rumors of Maoist landmines also fueled fear and kept potential drivers off the roads in many jurisdictions.

Emboff noted that trucks loaded with supplies for the new embassy compound had been unable to travel between Birgunj (border town in south-central Nepal) and Kathmandu due to the blockade and the absence of convoys escorted by armed security service personnel that have been used in the past. Krishna Prasad Sapkota, Section Officer in the Home Ministry's Security Division, explained that shipping or transportation companies had not requested armed convoy escorts. He added that since the blockade started on March 14 there had been no government security force-led convoys. In the tourist city of Pokhara (central Nepal) a petrol shortage situation has been created because petrol tankers have been unable to travel to the nearby Nepal Oil Corporation (NOC) depot (which has ample petrol supplies) to obtain petrol to deliver to Pokhara's local filling stations. NOC officials report that they have sold no petrol from their Pokhara area depot since March 14 and would normally sell 24,000 liters of petrol daily to local filling stations. Other areas also reported petrol shortages.

REPORTS OF MAOIST VIOLENCE; BRIDGE REPAIRED

¶16. (SBU) There were several incidents of Maoist violence on March 16. In Kakarbhitta (border town in eastern Nepal) Maoists killed a civilian and a member of Nepal's armed police force during an attack on a customs checkpoint. A Maoist bomb in a secondary school in Bahjang (western Nepal) injured two students. According to the Nepal Police, a bridge in Tanahu district bombed on March 13 on the Kathmandu-Pokhara highway (ref B) has been repaired and was again open to traffic.

COMMENT

¶17. (C) During the day on March 17 in the lead-up to the seven-party alliance's afternoon meeting, it was striking how few facts were known. Very few party cadre were privy to the exact details of the proposed agreement. It appears that, as with the November 22 12-point understanding, only a handful of people, led by NC President G.P. Koirala, would make the final decision for the seven-party alliance about signing the new agreement with the Maoists.

SCHLOSSER